THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY) (a) and (b) Yes, Sir.

(c) The issues raised by the All India Regional Rural Banks Employees Association (AIRRBEA) included their suggestion regarding total restructuring of RRBs, immediate amendment of recruitment-cum-promotion Rules, immediate release of additional increment as per industry-wise settlement dated 29th October, 1993 constitution of negotiating forum for RRBs and withdrawal of all vindictive actions and Chairman of Sultanpur Kshetriya Gramin Bank. As regards restructuring of RRBs, Government have initiated steps for comprehensive restructuring of 49 RRBs initially which includes cleansing of balance sheets and infusion of fresh capital. Experience with these 49 RRBs will guide the approach in later years to other RRBs As regards recruitment and promotion policy the draft rules are under examination in consultation with Ministry of Law. The other three demands have been noted for examination and appropriate action.

Decline in efficiency in the nationalised banks

3294. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of FINANCE be pleased to state:

(a) what are the parameters for gauging the operative and functional efficiency in the nationalised banks and the specific norms;

(b) whether it is a fact that the efficiency in the nationalised banks has been declining particularily from 1985 onwards; if so, the details of parameter-wise norms and respective efficiency in 1985, 1990, 1993 and 1994 and the reasons for the decline; and

(c) whether responsibilities have been fixed for lower efficiencies and the action taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (c) Reserve Bank of India (RBI) has intimated that it has not prescribed any parameters for gauging the operative and functional efficiency in the nationalised banks. However, the financial position of the nationalised banks is determined during the annual financial inspection being carried out by RBI with reference to their position as at the end of March every year. During the financial inspection of banks, RBI estimates their loan losses, other losses, unprovided for liabilities, etc., and determines as to what extent such erosion affects their owned funds. The financial position of the banks is rated on the basis of the following criteria:—

1. In case the paid-up capital and reserves are intact, the financial position of the bank is considered as 'good'.

2. In case only the paid-up capital is intact, the financial position of the bank is considered as 'satisfactory'.

3. In case the paid-up capital has been affected partly after complete erosion of reserves and provisions, the financial position is considered as 'not satisfactory'.

4. In case the entire paid-up capital, reserves and provisions are eroded and deposits are affected, the financial position is considered as 'unsatisfatory'.

Non-performing assets of nationalised banks

3295. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of FINANCE be pleased to state:

(a) what has been the percentage of non-performing assets to total assets in each of the nationalised banks during each of the last three years;